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CENTRAL INTELLIGENCE AGENCY

DRAFT

30 June 1959

MEMORANDUM FOR THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: Short-Term Outlook in Iraq

1. Recent weeks have produced a spate of indication<sup>s</sup> that the Qassim regime is moving to curb the power of the Communists in Iraq. A number of nationalists and old-regime sympathizers have been released from detention and there are reports of more releases to come. Some rank-and-file Communists have been arrested. Most important, the Qassim government is apparently moving strongly to limit the power of the Communist-dominated Popular Resistance Forces. Inspired by these and similar developments, the nationalists, who were apparently without hope two months ago, have re-emerged. There is no indication as yet, however, of any concerted action by the various non-Communist parties.

2. We do not now believe, as was estimated in SNIE's on Iraq in February and April, that ~~the Communists are likely to continue to have things all their way and that~~ neither Qassim nor anyone else possesses the will to clip their wings. This does not necessarily mean that the tide has turned finally and irrevocably against the Communists. They almost certainly retain an influential position in government ministries and some army commands. Their power over mass organizations and street mobs has not evaporated. The regime has as yet shown no signs of dis-

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satisfaction with its close ties with and heavy dependence on the Sino-Soviet Bloc.

3. Any estimate of what will happen next has to be highly tentative, though it is now necessary to lengthen the previous odds on the likelihood of a decisive Communist takeover. The Soviet Ambassador has left for Moscow for "medical reasons" and the USSR may decide that a tactic of retreat, or of temporary accommodation, is now the better part of Communist valor. Indeed, there is a recent report that attempts are being made to work out a united front with the leftist Nationalist Democratic Party. On the other hand, the Communists, whether or not prompted by Moscow, may feel impelled to strike back -- not only to protect past gains but also their skins against the reprisals that would be likely if the nationalists gained dominance; and the USSR can hardly relish the prospect of a clear Communist defeat.

4. The period between now and 14 July, the first anniversary of the Revolution, promises to be one of intense political maneuvering. Events taking place during this period of popular emotional buildup could easily precipitate a showdown, even if unintentional.

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